

E-01933A-15-0322



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ORIGINAL **Arizona Corporation Comm**
Utilities Complaint Form

Investigator: Al Amezcua

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Opinion Date: 1/28/2016

Opinion Number: 2016 - 128586

Priority: Respond within 5 business days

Opinion Codes: Rate Case Items - Opposed

DOCKETED

Closed Date: 1/28/2016 10:31 AM

First Name: M

Last Name: David

Account Name: M David

Address: <<< REDACTED >>>

City: Tucson

State: AZ

DOCKETED BY

Zip Code: 85705

Home: <<< REDACTED >>>

Email: <<< REDACTED >>>

Company: Tucson Electric Power Company

Division: Electric

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Nature Of Opinion

Docket Number: E-01933A-15-0322

Docket Position: Against

My serious concern is that individual Commissioners will not act in the free-market interests of the overall Arizona economy (nor in the best interests of the vast majority of Arizona businesses and consumers) regarding current and future rate cases and fees. I follow utility news closely, and industry-wide there have been many attempted moves by utilities in the last few years, in anticipation of waning growth and profits as distributed generation continues to expand. Rather than adapt to the reality that the world is changing, and seeking to be competitive, many utilities are maneuvering to mitigate waning profits by asking government to raise rates, to implement new or increased fees on distributed generation, and other strategies that subvert free market economies. History has made clear time and again that when governments enable free market suppression, it significantly hampers economies as a whole. Very significantly. Raising rates and implementing new or increased fees on all other Arizona businesses and consumers will stifle our entire Arizona economy. Taken as a whole, it is terribly significant, all to benefit one small sector, at the expense of all other industries and consumers. In the case of this utility, many of those who would profit significantly aren't in Arizona (or even US citizens, as the parent company is foreign-owned). While Commissioners may understandably have ties to the industry, it's far more important that we act in the best interests of our local Arizona economy. Act in the best interests of the millions of Arizonan workers, executives and investors who contribute directly to our local economy when they spend the money they save through lower rates and fees. Consumers, especially those in lower-income families who make up a significant portion of the Arizona economy (many of whom are notoriously prone to spending all available income) would otherwise have that much less to spend, affecting all Arizona businesses. That's in addition of course to business bottom lines suffering directly from increased electricity costs. And this isn't even the solution the utility industry hopes it is. For better or worse (I would argue it is always better when Americans become more self-reliant), the writing is on the wall: energy use has and will continue to become ever more efficient, and distributed generation technology will become ever more affordable and attainable. Regardless of what utilities might try to do, a significant percentage of Arizona businesses and consumers are going to be generating a significant portion of their own energy in the relatively near future. What utilities need to focus on is adapting. That may be what they think they're trying to do now. But rather than seeking to raise rates and increase fees, those who work and invest in the utility industry should instead seek to offer services and technology that will be just as valuable to consumers in the future as centrally produced electricity has been in the past. If history has taught us anything, it's that attempting to stifle competition is an exercise in futility. Utilities argue that distributed generation could eventually lead to consumers even leaving the grid entirely, and that would result in unsustainable costs for those who remain. But history has shown us that it is free markets that are nimblest at adapting to solve prognosticated future 'problems' like these. Remember the even more dire energy predictions of the 1970s? Free market competition has always rapidly evolved to meet demand and provide solutions that create jobs, opportunities and investment instead of the problems we forecast. Utilities

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may not see solutions right now, but someone, somewhere does. Profit motive will bring creative ideas out, and existing utilities are going to be best positioned to capitalize. When government enables the suppression of free market competition, it significantly hurts everyone. It's not a small problem. On a macro scale, we can all easily see how damaging it can be: government-enabled stifling of free markets has brought down entire economies and nations. Governments need to let free market competition work. In general, I bet that individually most Commissioners might agree with that. I worry that industry ties might cloud your decision. It's just a matter of doing the sensible thing: represent all industries and citizens, and let utilities know that you cannot enable their stifling our entire economy and suppressing free market competition in seeking the easier path to profit. Encourage them instead to be competitive in this new age. The need for utilities is not going to completely disappear anytime soon. There is plenty of time to adapt to decreasing demand by pursuing new income streams that are valuable and desired by Arizonans, instead of a hindrance and drag on the economy. That will ultimately prove to be more profitable for everyone in the utility industry too.

Investigation

Date:

Analyst:

Submitted By:

Type:

1/28/2016

Al Amezcua

Telephone

Investigation

comments noted for the record and docketed. CLOSED.
